



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## THREE OUT-OF-STATE TRUSTS ORDERED TO STOP SELLING SECURITIES IN ARIZONA

On December 3, 1999, the Arizona Corporation Commission ordered Alliance Trust of West Palm Beach, Florida, Chemical Trust of Birmingham, Alabama, United Marketing Trust of Seneca, South Carolina, and two of their trustees, Clifton Wilkinson of Toccoa, Georgia and Lewey L. Cato of Dublin, Georgia, to cease sales of unregistered securities and to stop committing securities fraud. The Temporary Order to Cease and Desist will remain in effect for 120 days pending a request for hearing before the Corporation Commission.

The Order states that in May of 1999, Alliance and Wilkinson allegedly solicited Arizona securities salesman and investment advisers to sell Alliance's securities to clients. In July of 1999, a purported merger between Alliance Trust and Chemical Trust occurred, with Wilkinson and Cato becoming trustees for Chemical. Alliance and Chemical have also marketed their securities on a web site run by United Marketing Trust. Alliance and United Marketing have the same toll free phone number with Wilkinson as the contact person for United Marketing.

According to the Order, Alliance, Chemical and United Marketing Trust represent themselves as "Members Only Investment Trusts." In soliciting investors through newspaper and Internet ads, the Trusts state that by paying an annual fee of \$99 an individual can become a

member of the trusts and sell their securities to other investors. The Trusts represent that investment units are priced at \$10,000 or more and will return annual profits of 25 or 30% or more. Trust members supposedly may also recruit others salespersons to market the Trusts' securities for which they may receive five percent in commissions on all of their recruit's business. The Trusts also claim that a substantial surety bond issued by an unlicensed Arizona surety company, U.S. Guarantee, safeguards the investments.

According to the order, the Trusts have not disclosed how investors' funds will be used to generate profits. Nor have the Trusts disclosed their financial condition or history to investors.

In taking this enforcement action, Mark Sendrow, Director of the Corporation Commission's Securities Division, cautioned investors to investigate before they invest and to check with the Division for information on both the promoters and the product being sold. The Corporation Commission's Securities Division may be contacted by telephone at (602) 542-4242, by e-mail at [accsec@ccsd.cc.state.az.us](mailto:accsec@ccsd.cc.state.az.us), or visit the Division's web site at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us)

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